(d) if so, to what extent it will be done away in the Budget?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) Yes, Sir.

(c) and (d) The Government have decided that, by the year 2004-2005, there would be a two tier structure for customs duties, namely, 10% and 20%. The existing rates would be adjusted and subsumed in these two basic rates with some exceptions on account of WTO bindings or higher tariffs for agricultural products.

Regulation of professional conduct of auditors

5016. SHRI K. B. KRISHNA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether post-Enron, in which the collusion of the auditors was established, Government are planning to effectively regulate the professional conduct of the auditors in India;

(b) whether Government would make it mandatory for the corporate to appoint an auditor at the discretion of its minority share-holders and not by the controlling group;

(c) whether Government would also propose that auditors should be barred from acting as consultants and from representing IT cases of the companies who are their clients; and

(d) the other measures Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB V1KHE PATIL): (a) to (d) The required information is being collected and will be laid on the Table of the House.

Financial crunch in States

5017. SHRI VUAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that State Governments are feeling the financial difficulties as a result of not getting the anticipated amounts of Central assistance because of the slump in revenue mobilisation by the Central Government;

(b) if so, the amount meant for transfer to the States as part of their share in the Central revenue mobilisation, State-wise; and

(c) in what manner Government propose to financially assist the States particularly those facing acute financial difficulties?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Many State Governments have been facing cash imbalances due to mismatch between revenue receipts and revenue expenditure.

An estimated amount of Rs. 61618.26 crores was budgeted as States' share in Central taxes during 2001-02. The State-wise details are given in the Statement (Seebelow).

Slowdown in revenue receipts during 2001-02 impacted on the Central taxes devolving to States. The Central Government have allowed additional market borrowings to State during 2001-02 to mitigate the impact of lower than anticipated Central tax devolutions to States. To enable States to overcome their financial crisis, States have been enjoined to evolve their Medium Term Fiscal Reform Programme aimed at fiscal consolidation, for which Central Government, in accordance with the recommendation of the Eleventh Finance Commission have created the States' Fiscal Reforms Facility 2000-01 to 2004-05.

Statement

Amount budgeted as State share in Central Taxes during 2001-2002

SI. No.	States	BE.
I.	Andhra Pradesh	4762.68
2.	Arunachal Pradesh	136.27
3.	Assam	2004.56
4.	Bihar	7078.58
5.	Chhattisgarh	1478.88
6.	Goa	126.12
7.	Gujarat	1765.76
8.	Haryana	590.12
9.	Himachal Pradesh	389.13
10.	Jammu & Kashmir	728.74
11.	Jharkhand	1865.19
12.	Kamataka	3070.86
13.	Kerala	1895.68
14.	Madhya Pradesh	3984 *25*
15.	Maharashtra	2902J8
16.	Manipur	209.86
17.	Meghalaya	196.57

1	2	3
18.	Mizoram	106.75
19.	Nagaland	112.05
20.	Orissa	3100.05
21.	Punjab	717.87
22.	Rajasthan	3380.53
23.	Sikkim	107.76
24.	Tamil Nadu	3366.91
25.	Tripura	278.90
26.	Uttar Pradesh	11797.17
27.	Uttaranchal	409.86
28.	West Bengal	5054.58
	TOTAL:	6161826

Expansion of foreign banks

5018. SHRIVJJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether the local bankers have opposed the policy of giving liberal sanctions for the expansion of foreign banking activities in the country;

(b) if so, the number of foreign banks togetherwith their branches operating in the country;

(c) the names of the new banks seeking Government's permission to start their operations;

(d) the reasons for Indian bankers not granting permission for the setting of new banks/expansion of existing banks; and

(e) what is Government's policy in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI B ALASAHEB VIKHE PATIL): (a) No, Sir.

(b) As on 31 st March, 2002,40 foreign banks were operating in India with 192 branches.

(c) According to Reserve Bank of India (RBI), no application is pending from any new foreign bank for starting operations in India.